

American Express OPEN Forum

How Much Should You Pay New Hires?

Elaine Pofeldt

Independent journalist and editorial consultant, Elaine Pofeldt

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January 12, 2011 Ready to make some full-time hire small businesses are thinking about hiring once again.

Like many entrepreneurs, you may wonder how much salary employees and you'll soon find yourself with unsustainable. Shortchange your recruits and you may breed resentment.

Here is some advice from compensation experts on how to

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Flextime Is No Time To Panic

Susan Sobott dispels some myths and discusses the benefits of offering a flextime program for your employees.

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Do a Reality Check

While you might dream of building a team that has worked at multinational companies, it's not always necessary for your small business. "As a company you need to look at what you need for a position," says Rob Wilson, president of Employco USA, a human resources firm in Westmont, Ill.

That said, depending on your industry and region, it is still possible in today's market. "People who earned more elsewhere but want benefits that a small firm may offer at the mid-level, you're seeing huge salary changes for people," he says. In fact, when paying \$75,000, he recently saw applications from candidates who had in mind that if you hire people for a fraction of their previous salaries, you may be able to. says Wilson.

Want more tips paying your employees? Check these out:

- [Should Your Hire a Recruiter?](#)
- [How to Hold onto Talent When You Can't Afford Raises](#)
- [How to Pay Your Employees When Your Startup is Just Getting Started](#)

Know the Going Rate

Wilson recommends looking at [Salary.com](#) to learn current salaries in your industry. Other sources of information on compensation are trade associations. Resources include [1500.com](#), [Management](#), which researches salary trends, and [WorldatWork](#), a not-for-profit organization that issues, says Priya Kapila, a St. Louis-based consultant at CBIZ Human Capital consulting.

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Featured Response

“
Elaine,
for sharing
this. ...

”

Kirk Baumann

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Still not sure how much to pay? There are many human resources consu
pay assessment,” advises Kapila. Costs for such a report, says Kapila, ra
dollars, depending on your needs and the consultancy’s rates.

Consider Supply and Demand

The [unemployment rate](#) among those with a bachelor’s degree or higher
with a high school diploma, it was 10 percent. If you need a highly educa
accountant or chief technology officer, be prepared to pay a very compet
may really want to target that median competitive pay rate,” says Kapila.
start the job running. For a lower-level or support-type position, it may be
of the best. You can focus on something lower in the range of what is cor

*Elaine Pofeldt is an independent journalist specializing in entrepreneursh
TheAtlantic.com, BNET, Crain’s New York Business, CBS Moneywatch,
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